



# GLOBAL MARKET PRACTICE FOR INITIAL PUBLIC OFFERING (IPO)

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- I. SCOPE AND DEFINITIONS ..... 3**
- II. PROBLEMS ..... 4**
- III. ACTORS AND ROLES ..... 4**
- IV. ACTIVITY DIAGRAMS ..... 6**
- V. BUSINESS DATA REQUIREMENTS..... 15**
  - A. IPO BID ORDER INSTRUCTION ..... 15
  - B. IPO BID ORDER INSTRUCTION PROCESSING STATUS ..... 16
  - C. CONFIRMATION OF ALLOTMENT/REFUND DETAILS ..... 16
  - D. DELIVERY/RECEIPT INSTRUCTIONS FOR SETTLEMENT OF IPO TRANSACTION ..... 16
  - E. CONFIRMATION OF RECEIPT OF NEW ISSUE OF SECURITY ..... 17
  - F. CONFIRMATION OF DELIVERY OF NEW ISSUE OF SECURITY ..... 17
  - G. SETTLEMENT STATUS AND PROCESSING ADVICE OF IPO TRANSACTION ..... 18
  - H. NOTIFICATION OF EFFECTIVE LISTING DATE ..... 18
- VI. MARKET PRACTICE RULES ..... 19**
- VII. ISO 15022 ILLUSTRATION..... 19**
  - A. IPO BID ORDER INSTRUCTION USING MT 502 ..... 19
  - B. IPO BID ORDER INSTRUCTION PROCESSING STATUS USING MT509 ..... 20
  - C. CONFIRMATION OF ALLOTMENT/REFUND DETAILS USING MT515 ..... 20
  - D. DELIVERY/RECEIPT INSTRUCTIONS FOR SETTLEMENT OF IPO TRANSACTION USING MT540/541/542/543 ..... 21
  - E. CONFIRMATION OF RECEIPT OF NEW ISSUE OF SECURITY USING MT545 ..... 22
  - F. CONFIRMATION OF DELIVERY OF NEW ISSUE OF SECURITY USING MT547 ..... 22
  - G. SETTLEMENT STATUS AND PROCESSING ADVICE OF IPO TRANSACTION USING MT548 ..... 23
  - H. NOTIFICATION OF EFFECTIVE LISTING DATE USING MT564..... 23

## I. Scope and Definitions

### Introduction:

An initial public offering (IPO) is a type of public offering where shares of stock in a company are sold to the general public, on a securities exchange, for the first time. It is an invitation to the public to make investments in the company by its promoters. The company can raise money by issuing either debt or equity.

An IPO can be fixed price issue or can be issued using the Book Building route. Book Building refers to the offer of shares through the process of bidding between a specified price range. The offering of shares can also be split into the Book Build portion and the fixed price portion.

The IPO process has a systematic cycle involving many parties including the Issuer, Stock Exchange, Central Securities Depository (CSD), Lead Managers, Book runners and Syndicate members, Custodians, Investors, Underwriters, Auditors and Registrars. The entire timeframe of an IPO process can range from three months to more than a year.

Being an avenue for companies to raise capital and with a gradual increase in focus for companies to do so through IPO, there is an expected increase in IPO volumes in the future. Currently, there is a general lack of standardisation and automation in the IPO process globally. Therefore, custodian banks are requesting to have a more standardised and straight-through processing capability at their back office systems for the IPO process.

### Background:

This IPO Global Market Practice is a spinoff from the India IPO Market Practice which was drafted in August 2012 to meet the needs of the India market with the increasing number of IPO transactions. Subsequently, it was discussed and agreed at the Osaka SMPG meeting in October 2012 to build a global IPO market practice because there is a global need for it. At the Frankfurt SMPG meeting which followed in April 2013, there were further clarifications on the requirements for the global market practice to be a more general one covering the global business process of IPOs.

### Scope:

The scope of this document is to describe the market practice for the general process flows in a typical IPO transaction with a focus on the key players involved – the Investor, the Custodian, the Lead Manager and the CSD. The document aims to take into consideration identified practices in global markets and to harmonise them into a standard global market practice for IPO. The financial instruments covered in this market practice are equities and bonds.

This market practice only describes MT standards illustrations. From a business process and messaging flow perspective, FIX messages are also referenced although they are not described in detail nor are field recommendations incorporated into this document. For more information regarding usage by product type of other standards, please refer to the Investment Roadmap and supporting documentation. Specifically, for information on FIX messages, please refer to [www.fixtradingcommunity.org](http://www.fixtradingcommunity.org) and FIX's IPO Recommended Practice/Guidelines document.

## II. Problems

The current pains faced by custodians include:

- Absence of structured message format: Custodians usually receive IPO instructions from their institutional clients by fax and/or SWIFT MT599. There is no straight-through processing for MT599 due to its free format based message nature.
- Tight turnaround window: Some IPO processes have a tight turnaround window. With no automation, it may lead to high pressure situations as well as operational risks and errors.

## III. Actors and Roles

An IPO is a complex process involving a number of parties and its success depends on these parties involved.

This section describes the actors and roles involved in the IPO process and in **BOLD** are the main actors detailed in the market practice document.

Actors	Roles
<b>Investors</b> (Investment banks, brokerage houses, mutual funds, hedge funds, insurance companies etc.)	<ul style="list-style-type: none"> <li>• IPO Instructing Party</li> </ul>
<b>Custodians</b> (Global and Sub-custodians)	<ul style="list-style-type: none"> <li>• IPO Subscription Executing Party</li> <li>• Account Servicer for the Investor</li> </ul>
Brokers (eg. in Germany, Brazil)	<ul style="list-style-type: none"> <li>• Connects the IPO issuing company to the stock market and potential investors</li> </ul>
<b>Lead Managers</b>	<ul style="list-style-type: none"> <li>• Establishes the schedule of the issue</li> <li>• Takes up the due diligence of IPO issuing company's operations/management/business plans/legal etc.</li> <li>• Handles post issue activities including management of escrow accounts, intimation of allocation and dispatch of refunds to bidders etc.</li> <li>• Coordinates with the Registrar to ensure follow up so that the flow of applications received, processing of the applications and other matters till the basis of allotment is finalised, dispatch security certificates and refund orders completed and securities listed</li> </ul> <p><i>Note: There can be more than 1 Lead Manager for big IPOs. However, for the purpose of this Global IPO MP, 1 Lead Manager is considered for illustration. Its role remains the same regardless of the number of Lead Managers involved.</i></p>
<b>Central Securities Depository (CSD)</b>	<ul style="list-style-type: none"> <li>• Provides settlement and clearing services</li> <li>• Keeps a central register of subscription</li> </ul>

## Global Market Practice for Initial Public Offering (IPO)

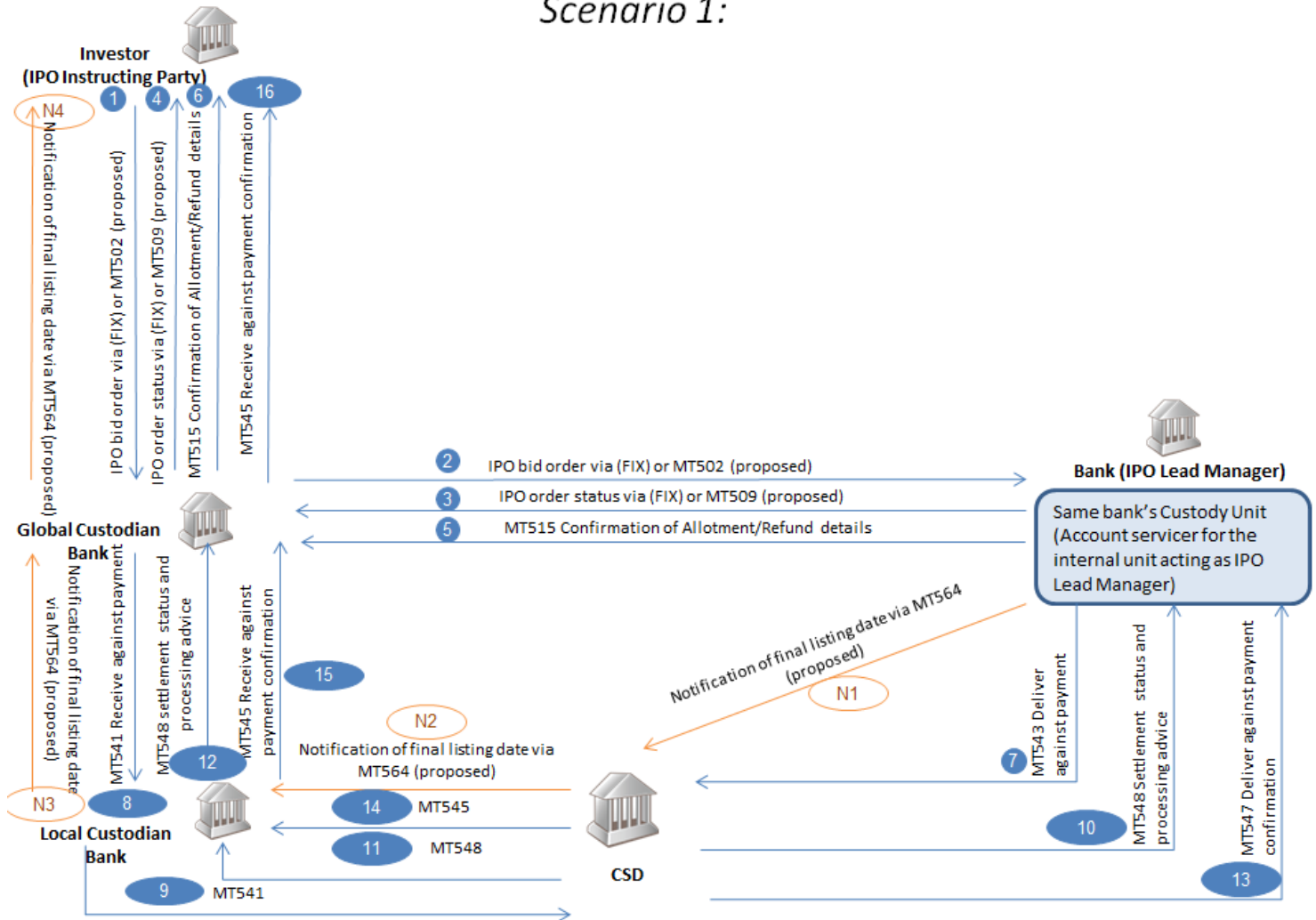
	applications for IPOs, amending subscription applications as per allocation rules or instructions from issuers or their agents, and ultimately crediting of newly issued instruments to subscribers
Underwriters	<ul style="list-style-type: none"><li>• Responsible for pricing, selling and organizing the issue</li></ul>
Registrar	<ul style="list-style-type: none"><li>• Finalises the list of eligible allottees after deleting the invalid applications</li><li>• Ensures that the corporate action for crediting of shares to the applicants' security account is done and the dispatch of refund orders to those applicable are sent</li><li>• Holds the IPO issuing company's register and issues share certificates</li></ul>

## IV. Activity Diagrams

Scenario 1:

Investor has his accounts (cash and securities) with his custodian bank which is not the bank acting as the IPO lead manager.

### Scenario 1:



Notes:

- An investor does not have an account with the CSD. The investor is a client of a local or foreign bank which acts as his custodian.
- The investor sends IPO bid orders to his custodian bank.
- The custodian bank sends in its name the IPO bid order to the IPO lead manager.
- The custodian bank can be a local or foreign bank.
- In general, foreign custodian banks use a local sub-custodian bank for local settlement (with the link to the local CSD).
- Smaller local banks may use a local sub-custodian as well for the settlement process (with the link to the local CSD).
- Foreign global custodian banks may also have direct link to the CSD for settlement.

Global Market Practice for Initial Public Offering (IPO)

- In this scenario, the MT541 sent by the Global Custodian is triggered by the receipt of the MT515 from the IPO Lead Manager.

An IPO transaction is a series of related process flows culminating in the sale of stock to the public.

Descriptions of the activities: Scenario 1				
Investor (IPO Instructing Party)	Global Custodian Bank	Local Sub-Custodian Bank	CSD	IPO Lead Manager
<p><b>1</b></p> <p><u>Instruct IPO bid order:</u></p> <p>To instruct the Global Custodian Bank about the details of the IPO purchase via FIX or MT502.</p>	<p><b>2</b></p> <p><u>Process IPO bid order:</u></p> <p>Validates the bid order instruction received from the Investor and onward submits the IPO bid order to the IPO Lead Manager via FIX or MT502.</p> <p><b>4</b></p> <p>Informs the Investor about the IPO order status via FIX or MT509 upon receipt of the status advice from the IPO Lead Manager (including rejection of the order, if applicable).</p>			<p><b>3</b></p> <p><u>Process IPO bid order:</u></p> <p>Validates the bid order received from the Global Custodian Bank and returns a processing status advice via FIX or MT509.</p> <p>For unsuccessful bidding, the Lead Manager rejects the order by sending a FIX status message or an MT 509 to the Global Custodian Bank.</p>
	<p><b>6</b></p> <p><u>Communicate Bid Results:</u></p> <p>Onward informs the Investor via MT515 upon confirmation of successful bidding from the IPO Lead Manager and refund details for partial subscription with upfront payment (if applicable).</p>			<p><b>5</b></p> <p><u>Communicate Bid Results:</u></p> <p>Upon successful bidding, the Lead Manager sends an MT515 to the Global Custodian Bank to confirm the allotment details:</p> <ul style="list-style-type: none"> <li>• Security allotment price</li> <li>• Quantity of the security allotted</li> </ul>

Descriptions of the activities: Scenario 1				
Investor (IPO Instructing Party)	Global Custodian Bank	Local Sub-Custodian Bank	CSD	IPO Lead Manager
				<ul style="list-style-type: none"> <li>• Settlement amount</li> <li>• Settlement date</li> </ul> <p>For partial subscription, in case of upfront payment, refund details for the excess money will be included in the instruction.</p>
	<p><b>8</b> <u>Instruct Market Side Instruction:</u></p> <p>For successful bid orders, the Global Custodian Bank generates an MT541 instruction to its local Sub-Custodian bank to submit an instruction to receive the new issue against payment.</p>	<p><b>9</b> <u>Instruct Market Side Instruction:</u></p> <p>Instructs the CSD to receive the new issue against payment via MT541 instruction, upon receipt of instruction to receive against payment from the Global Custodian Bank.</p>		<p><b>7</b> <u>Instruct Market Side Instruction:</u></p> <p>For successful bid orders, the Custody Unit of the IPO Lead Manager generates an MT543 instruction to instruct the CSD to deliver the new issue against payment to the Global Custodian Bank (via its local Sub-Custodian bank).</p>
			<p><b>10</b> <b>11</b> <u>Process Market Side Instruction:</u></p> <p>CSD processes and matches the MT543 market side instruction</p>	



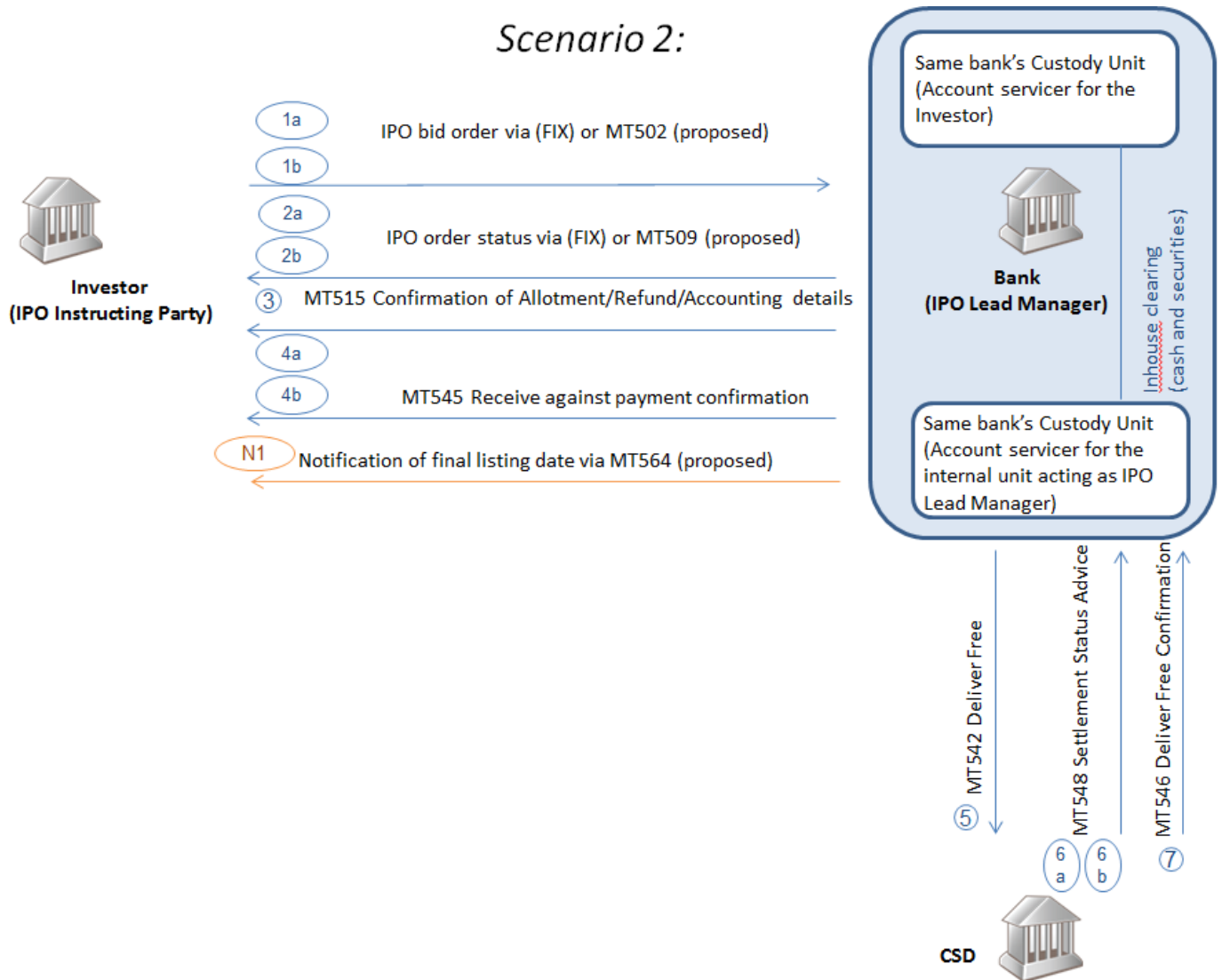
Descriptions of the activities: Scenario 1				
Investor (IPO Instructing Party)	Global Custodian Bank	Local Sub-Custodian Bank	CSD	IPO Lead Manager
		<p>12</p> <p><u>Process IPO Receipt Instruction:</u></p> <p>Upon receipt of the MT548 status and processing advice from the CSD, the local Sub-Custodian Bank onward forwards the status and processing advice to the Global Custodian Bank via a fresh MT548.</p>	<p>from the IPO Lead Manager and the MT541 instruction from the local Sub-Custodian Bank and returns a status and processing advice via MT548 to both the IPO Lead Manager and the local Sub-Custodian Bank.</p>	
<p><u>Monitor for Settlement Confirmation:</u></p> <p>Upon receipt of the MT545 message from its Global Custodian Bank, the Investor updates its internal records accordingly.</p>	<p>16</p> <p><u>Monitor for Settlement Confirmation:</u></p> <p>Generates an MT545 confirmation to the Investor upon receipt of the MT545 confirmation of receipt of the new security against payment from its local sub-custodian to inform of the settlement of IPO transaction.</p>	<p>15</p> <p><u>Monitor for Settlement Confirmation:</u></p> <p>Upon receipt of the MT545 confirmation of receipt of the new security against payment from the CSD, the local Sub-Custodian Bank generates a fresh MT545 confirmation and sends it to the Global Custodian Bank.</p>	<p>13 14</p> <p><u>Settle Market Side Trade:</u></p> <p>Upon successful matching of the instructions, the CSD settles the market side trade and sends an MT545 to the local Sub-Custodian Bank to inform of the receipt of the new issue of security against payment and an MT547 to the IPO Lead Manager to inform of the</p>	

Descriptions of the activities: Scenario 1				
Investor (IPO Instructing Party)	Global Custodian Bank	Local Sub-Custodian Bank	CSD	IPO Lead Manager
			delivery of the new issue against payment.	
	<p><b>N4</b></p> <p><u>Notification of Effective Listing Date:</u></p> <p>Informs the Investor of the final listing date of the new issue of security via MT564 message.</p>	<p><b>N3</b></p> <p><u>Notification of Effective Listing Date:</u></p> <p>Upon receipt of the notification of the final listing date from the CSD, the local Sub-Custodian disseminates the information to the Global Custodian Bank via an MT564 message.</p>	<p><b>N2</b></p> <p><u>Notification of Effective Listing Date:</u></p> <p>CSD onward informs the local Sub-Custodian of the final listing date of the new issue of security via an MT564 message.</p>	<p><b>N1</b></p> <p><u>Notification of Effective Listing Date:</u></p> <p>Informs the CSD of the final listing date of the new issue of security via MT564 message.</p>

Scenario 2:

Investor has his accounts (cash and securities) with the bank acting as the IPO lead manager.

This is a subset of Scenario 1.



Notes:

- Both scenarios 1 and 2 do not cover the process of the issuer, IPO Lead Manager and CSD in a market when the IPO event is formally and contractually agreed. It is good to note that from a settlement perspective of the CSD, this additional process is relevant for the creation of IPO position in the securities accounts with the Lead Manager which is a pre-requisite for the settlement of executed IPO orders of the investors.
- Scenario 2 is a special market scenario in which the securities and cash clearing as well as the settlement of the IPO transaction with the investor happens fully in-house in the books of the Bank acting as the IPO Lead Manager. This is based on the situation that the IPO position at the CSD is kept in an omnibus account

Global Market Practice for Initial Public Offering (IPO)

structure which includes the total amount of securities for all clients and proprietary IPO event positions which are booked in clients and proprietary securities accounts of the Bank.

- At trade date the in-house settlement results in an internal booking of the securities and cash settlement amounts for the billed IPO purchase in the cash and securities accounts of the investing client of the Bank and the booking of the securities and cash settlement amounts in the cash and securities accounts of the responsible internal booking center of the Bank acting as IPO Lead Manager.
- The details of the settled IPO purchase (including all relevant booking information on the billed cash and securities amounts) are only confirmed with use of the MT515 which is sent by the Bank to the investing client at trade date.
- Only by exception (when requested by the investing client) the Bank can offer to confirm the same settlement details for the IPO purchase at trade date with use of the MT545 message.

Descriptions of the activities: Scenario 2		
Investor (IPO Instructing Party)	IPO Lead Manager	CSD
<p><b>1a</b></p> <p><u>Instruct IPO bid order:</u></p> <p>To instruct the IPO Lead Manager about the details of the IPO purchase via FIX order message or MT502.</p>          <p>After receiving the MT515 from the IPO Lead Manager as a final confirmation of the IPO purchase (including all allotment details), the Investor updates its internal records accordingly.</p> <p>Note that in that case the Investor will not receive an additional settlement</p>	<p><b>1b</b></p> <p><u>Process IPO bid order:</u></p> <p>Validates the bid order instruction received from the Investor and returns a processing status advice via FIX or MT509.</p> <p><b>2a</b></p> <p>In the case of receipt of a valid bid order instruction, the IPO Lead Manager sends an IPO order status advice to the Investor via FIX or MT509 to confirm the receipt and acceptance of the order for further processing.</p> <p><b>2b</b></p> <p>In the case of receipt of an invalid bid order instruction, the IPO Lead Manager sends an IPO order status advice to the Investor via FIX or MT509 to notify the receipt of an invalid bid order instruction and to advise the rejection of the order.</p> <p><b>3</b></p> <p>Upon successful bidding, the IPO Lead Manager sends an MT515 to confirm the execution of the IPO purchase to the Investor including all allotment details:</p> <ul style="list-style-type: none"> <li>• Trade date of the IPO bid order</li> <li>• Security allotment price</li> <li>• Quantity of the security allotted</li> <li>• Cash settlement amount</li> </ul>	

<b>Descriptions of the activities: Scenario 2</b>		
<b>Investor (IPO Instructing Party)</b>	<b>IPO Lead Manager</b>	<b>CSD</b>
confirmation (MT545).	<ul style="list-style-type: none"> <li>• Settlement date</li> </ul> <p>For partial subscription, in case of upfront payment, refund details for the excess money will be included in the instruction.</p>	
<p style="text-align: center;"><b>4b</b></p> <p><u>Monitor for Settlement Confirmation:</u></p> <p>Only by special request, the Investor will receive an MT545 message from its Custodian Bank (ie the Custody Unit of the same bank which is acting as IPO Lead Manager).</p> <p>With that, the Investor updates its internal records according to the securities and cash settlement details received with the MT545.</p>	<p style="text-align: center;"><b>4a</b></p> <p><u>Settle Market Side Trade:</u></p> <p>For successful bids, the Investor does not need to send separate instructions to its Custodian Bank (which is the IPO Lead Manager in this scenario). At settlement date, the settlement amount will be automatically booked by the IPO Lead Manager on the securities and cash accounts held for the Investor.</p> <p>Once the IPO purchase transaction is settled in the market but only on special request by the Investor, the Investor's Custodian Bank (ie the Custody Unit of the IPO Lead Manager which is the account servicer for the Investor) sends an MT545 on settlement date to the Investor to confirm the execution of the settlement on the securities and cash accounts held for the Investor.</p> <p>The special request to send an MT545 is normally received as a standing instruction for IPO bid order processing which are maintained by the IPO Lead Manager as standing processing instructions for the securities account held for an Investor.</p>	
	<p style="text-align: center;"><b>5</b></p> <p><u>Instruct Transfer at CSD:</u></p> <p>After final execution of the successful bid order for an Investor and depending on the account segregation instructions given by the Investor for position keeping at the CSD the IPO Lead Manager may instruct the CSD to transfer the settled amount of securities according to the executed bid order from his Omnibus Account to one of his agreed segregated accounts for client positions with use of the MT542.</p> <p>The CSD validates the transfer instruction</p>	<p style="text-align: center;"><b>6a</b></p> <p><u>Process Transfer Instructions:</u></p> <p>In the case of receipt of a valid settlement instruction from the IPO Lead Manager, CSD sends an MT548 to the IPO Lead Manager to confirm the receipt and acceptance of the order for further processing. Upon receipt of the MT548, the IPO Lead Manager updates the status of the settlement order in its own settlement book indicating that</p>

<b>Descriptions of the activities: Scenario 2</b>		
<b>Investor (IPO Instructing Party)</b>	<b>IPO Lead Manager</b>	<b>CSD</b>
	received from the IPO Lead Manager.	<p>the CSD is processing the order according to its instruction.</p> <p style="text-align: center;">6b</p> <p>In the case of receipt of an invalid settlement instruction from the IPO Lead Manager, CSD sends an MT548 to the IPO Lead Manager to notify the receipt of an invalid instruction and to advise the rejection of it. Upon receipt of the MT548, the IPO Lead Manager updates the status of the settlement order in its internal order book indicating that the CSD has rejected the settlement order. At the same time, an internal exception process is started within the IPO Lead Manager for the rejected order.</p>
		<p style="text-align: center;">7</p> <p><u>Settle Securities Transfer</u></p> <p>On settlement date, the CSD processes the instructed order (a) in its internal order book and (b) in its internal accounts including the booking of the instructed securities settlement amounts in the accounts held for the IPO Lead Manager.</p> <p>Upon settlement of the securities transfer, the CSD sends an MT546 Deliver Free Confirmation to the IPO Lead Manager to confirm the transfer.</p> <p>After receipt of the MT546, the IPO Lead Manager processes the confirmed transfer order (a) in its internal settlement order books and (b) in its internal accounts for securities held with the CSD.</p>
	<p style="text-align: center;">N1</p> <p><u>Notification of Effective Listing Date:</u></p>	

Descriptions of the activities: Scenario 2		
Investor (IPO Instructing Party)	IPO Lead Manager	CSD
	Informs the Investor of the final listing date of the new issue of security via MT564 message.	

**Notes:**

1. The above activity descriptions are to capture the general process flows of an IPO transaction. Hence, specificities pertaining to processes like bidding and allotment will not be documented in detail in the market practice.
2. The source of the Activity Diagrams (scenario 1 and 2) are courtesy from the Swiss market. They are used as a base in building the diagram flows of a generic IPO transaction in this global market practice.
3. The tasks handled by the actors in the flows of an IPO transaction may vary from market to market. However, the process flows in this market practice are generic in nature and can apply to other markets as well. Likewise, the messages used can be applied in global markets.

## V. Business Data Requirements

For the communication needs of the above-described activities, the following business data are required. Focus is on the processes described in the MP:

### A. IPO bid order instruction



Business elements	Additional information
Message reference	16x
Price	Bid price(s)
Quantity of financial instrument	<ul style="list-style-type: none"> <li>• Bid quantity</li> <li>• Expressed as units/face amount</li> </ul>
Payment Amount	Bid cash settlement amount used to derive the appropriate quantity of financial instrument to be bought
Multiple bids option	When and if applicable (depending on the market)
Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Expiry date	Date on which an order expires
Value date	For the settlement of the payment amount
Party details	Lead Manager/Broker etc.
Safekeeping account to be credited	-
Account name	-
Cash account	Cash account to be debited
Revision/Cancellation of an existing bid	Provide message reference number of the last instruction

**B. IPO bid order instruction processing status**

3

4

2a

2b

Business elements	Additional information
Message reference	16x
Status Code	To indicate the processing status of the subscription instruction
Trade date	ISO 8601 Date/Time
Payment Amount	Bid cash settlement amount used to derive the appropriate quantity of financial instrument to be bought
Quantity of financial instrument	Expressed as units/face amount
Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Safekeeping account to be credited	-
Account name	-
Cash account	-
Value date	For the settlement of the payment amount

**C. Confirmation of allotment/refund details**

5

6

3

Business elements	Additional information
Message reference	16x
Price	Allotment price
Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Security Account	Account to be credited
Allotted quantity	Number of shares received
Cash Account	Account to be credited
Refund amount	Excess money to be refunded for partial subscription (in case of upfront payment)
Settlement date	<ul style="list-style-type: none"> <li>• ISO 8601 Date/Time</li> <li>• Settlement date for the shares credit</li> </ul>
Value date	For cash refund

**D. Delivery/Receipt Instructions for settlement of IPO transaction**

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Business elements	Additional information
Message reference	16x
Message link	<ul style="list-style-type: none"> <li>• Related IPO deal reference</li> <li>• Related IPO Subscription message reference</li> </ul>
Settlement date	ISO 8601 Date/Time
Trade date	ISO 8601 Date/Time
Deal price	IPO issued price



Global Market Practice for Initial Public Offering (IPO)

Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Quantity of financial instrument	Quantity of financial instrument to be settled
Safekeeping account to be credited	35x
Cash account	Cash account to be debited
Settlement Amount	Cash settlement amount
Charges	Any fees and charges eg. brokerage fees

**E. Confirmation of receipt of new issue of security**

14

15

16

4a

4b

Business elements	Additional information
Message reference	16x
Message link	<ul style="list-style-type: none"> <li>• Related IPO deal reference</li> <li>• Related IPO Subscription message reference</li> </ul>
Settlement date	ISO 8601 Date/Time
Trade date	ISO 8601 Date/Time
Deal price	IPO issued price
Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Quantity of financial instrument	Quantity of financial instrument effectively settled
Safekeeping account to be credited	-
Account name	-
Cash account	Cash account to be debited
Effective Settlement Amount	Cash settlement amount
Charges	Any fees and charges eg. brokerage fees

**F. Confirmation of delivery of new issue of security**

13

7

Business elements	Additional information
Message reference	16x
Message link	<ul style="list-style-type: none"> <li>• Related IPO deal reference</li> <li>• Related IPO Subscription message reference</li> </ul>
Settlement date	ISO 8601 Date/Time
Trade date	ISO 8601 Date/Time
Deal price	IPO issued price
Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Quantity of financial instrument	Quantity of financial instrument effectively settled
Safekeeping account to be debited	-
Account name	-
Cash account	Cash account to be credited

Effective Settlement Amount	Cash settlement amount
Charges	Any fees and charges

**G. Settlement Status and Processing Advice of IPO transaction**

10

11

12

6a

6b

Business elements	Additional information
Message reference	16x
Message link	<ul style="list-style-type: none"> <li>• Related reference of the original instruction</li> <li>• Related IPO deal reference</li> <li>• Related IPO Subscription message reference</li> </ul>
Status	Advises the status of the original instruction
Reason	Advises the reason for the status of the original instruction
Settlement date	ISO 8601 Date/Time
Trade date	ISO 8601 Date/Time
Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Quantity of financial instrument	Quantity of financial instrument to be settled
Safekeeping account to be credited	-
Account name	-
Cash account	-
Effective Settlement Amount	-
Charges	-

**H. Notification of effective listing date**

N1

N2

N3

N4

Business elements	Additional information
Corporate action reference	16x
Sender's message reference	16x
Corporate action event indicator	Specifies the type of corporate event
Mandatory/Voluntary indicator	Specifies that the event is mandatory
Processing Status	Specifies the status of the details of the event
Identification of the financial instrument	<ul style="list-style-type: none"> <li>• ISO 6166 International Securities Identification Number [ISIN] (preferred)</li> <li>• Other numbering schemes may be used</li> <li>• Name of the IPO/subscription</li> </ul>
Place of listing	Place where the referenced financial instrument is listed
Effective Date/Time	Date/time at which the shares commence trading in the stock exchange

## VI. Market Practice Rules

- If indicated in the Order to buy or sell message type (MT502), some fields will become mandatory such as the place of trade, safekeeping and cash account, indicative price, IPO order (under buy/sell indicator), amount and quantity of financial instrument. When this is the case, these elements have to be provided in the message.
- Narrative form is needed for any declarations or disclaimers required from the investor from time to time depending on the IPO prospectus.

## VII. ISO 15022 Illustration

Sample message templates using ISO 15022 messages:

### A. IPO bid order instruction using MT 502

Business elements	ISO 15022
Instruction Identification	:20C::SEME//16x
Order Details Indicator	:22F::TRTR/TRAD
Primary Market	:94B::TRAD//PRIM or EXCH (Depends if it's IPO or FPO or IPP)
Buy/Sell Indicator: IPO Order or FPO Order or IPP Order	:22H::BUSE//IPOO or :22H::BUSE//FPOO or :22H::BUSE//IPPO
Payment Indicator (Against Payment)	:22H::PAYM//APMT
Expiry Date	:98A::EXPI//YYYYMMDD
Safekeeping Account	:97A::SAFE//35x
Cash Account	:97A::CASH//35x
Bid Quantity	:36B::ORDR//UNIT/15d if 1 bid :36B::ORDR//UNIT/15d if 2 bids :36B::ORDR//UNIT/15d if 3 bids (repetitive, if applicable)
Bid Price	:90B::DEAL//ACTU//CCYXXXXXX (up to 3 bid prices, if applicable)
Quantity of Financial Instrument (Cancel)	:36B::CANC//UNIT/15d
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN1!e12!c Name of IPO or FPO or IPP
Issue Date	:98A::ISSU//YYYYMMDD
Indicative Issue Price	:90B::INDC//ACTU//XXXXXXX
Trade Instruction Processing Narrative	:70E::TPRO//NARRATIVE
Financial Instrument Attribute Narrative for lead manager details	:70E::FIAN//LEADMANAGERDET
Settlement transaction indicator	:22F::SETR//ISSU and/or SYND
Cash Settlement system	:22F::CASY//GROS
Settlement Transaction Condition Indicator (Instruct Account Balance)	:22F::STCO//IAAB
Delivering Agent	:95P::DEAG//4!a2!a2!c
Receiving Agent	:95P::REAG//4!a2!a2!c
Place of Settlement (BIC of CSD)	:95P::PSET//4!a2!a2!c
Beneficiary	:95P::BENM//4!a2!a2!c
Account with Institution of the beneficiary	:95P::ACCW//4!a2!a2!c

**B. IPO bid order instruction processing status using MT509**

Business elements	ISO 15022
Instruction Identification	:20C::SEME//16x
Linked Message	:13A::LINK//502
Related Message Reference	:20C::RELA//16x
Status Code (Instruction processing status)	:25D::IPRC//4!c
Status Code (Rejection Reason codes to specify the reason for rejecting the IPOO or FPOO or IPPO bids instructed by clients, if any.)	:24B::REJT//4!c
Prepayment Value Date	:98A::PVAD//YYYYMMDD
Expected Confirmation Date	:98A::XCDT//YYYYMMDD
Tentative Listing Date	:98A::TLDT//YYYYMMDD
Trade Date	:98A::TRAD//YYYYMMDD
Currency to Buy	:11A::FXIB//XXX
Buy/Sell Indicator: IPO Order or FPO Order or IPP Order	:22H::BUSE//IPOO or :22H::BUSE//FPOO or :22H::BUSE//IPPO
Payment Indicator (Against Payment)	:22H::PAYM//APMT
Account Owner	:95R::ACOW/4!c/8c/34x
Safekeeping Account	:97A::SAFE//35x
Executed Settlement Amount	:19A::PREX//3!a15d
Debit Blocked Amount	:19A::DBAM//3!a15d
Deal Price	:90B::DEAL//ACTU/3!a15d (up to 3 bids)
Ordered Quantity	:36B::ORDR//UNIT/15d if 1 bid :36B::ORDR//UNIT/15d if 2 bids :36B::ORDR//UNIT/15d if 3 bids (repetitive)
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN!e12!c Name of IPO or FPO or IPP

**C. Confirmation of allotment/refund details using MT515**

Business elements	ISO 15022
Instruction Identification	:20C::SEME//16x
Order Details Indicator	:22F::TRTR/TRAD
Linked Message	:13A::LINK//502
Related Message Reference	:20C::RELA//16x
Trade Date	:98A::TRAD//YYYYMMDD
Settlement Date	:98A::SETT//YYYYMMDD
Deal Price	:90B::DEAL//ACTU/3!a15d (up to 3 bids)
Place of Trade	:94B::TRAD//PRIM or EXCH (Depends if it is IPO or FPO or IPP)
Settlement Amount (Repeatable only if qualifier IPOO or FPOO or IPPO codes are used)	:19A::SETT//3!a15d
Buy/Sell Indicator: IPO Order or FPO Order or IPP Order	:22H::BUSE//IPOO or :22H::BUSE//FPOO or :22H::BUSE//IPPO
Payment Indicator (Against Payment)	:22H::PAYM//APMT
Buyer	:95P::BUYR//4!a2!a2!c
Safekeeping Account (For Buyer & Investor)	:97A::SAFE//35x
Cash Account (For Buyer, Seller & Investor)	:97A::CASH//35x
Investor	:95P::INVE//4!a2!a2!c

Global Market Practice for Initial Public Offering (IPO)

Seller	:95P::SELL//4!a2!a2!c
Declaration Details Narrative	:70E::DECL//NARRATIVE
Quantity of Financial Instrument Confirmed	:36B::CONF//UNIT/15d
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN1!e12!c Name of IPO or FPO or IPP
Issue Date	:98A::ISSU//YYYYMMDD
Financial Instrument Attribute Narrative (Lead Manager Details)	:70E::FIAN//NARRATIVE
Disclaimer Narrative	:70E::TPRO//DISCLAIMER
Settlement (Issuance or Syndicated)	:22F::SETR//ISSU or SYND
Cash Settlement System Indicator	:22F::CASY//GROS or :22F::RTGS//YRTG or :22F::RTGS//NRTG
Delivering Agent	:95P::DEAG//4!a2!a2!c
Receiving Agent	:95P::REAG//4!a2!a2!c
Place of Settlement	:95P::PSET//4!a2!a2!c
Account with Institution of the beneficiary	:95P::ACCW//4!a2!a2!c
Beneficiary	:95P::BENM//4!a2!a2!c
Refund Amount	:19A::REFD//3!a15d
Trade Amount	:19A::RESU//3!a15d
Exchange Rate	:92B::EXCH//3!a/3!a/15d

**D. Delivery/Receipt Instructions for settlement of IPO transaction using MT540/541/542/543**

Business elements	ISO 15022
Instruction Identification	:20C::SEME//16x
Related Message Reference	:20C::RELA//16x
Place of Trade	:94B::TRAD//PRIM or EXCH (Depends if it is IPO or FPO or IPP)
Trade Date	:98A::TRAD//YYYYMMDD
Settlement Date	:98A::SETT//YYYYMMDD
Deal Price	:90B::DEAL//4!c/3!a15d
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN1!e12!c Name of IPO or FPO or IPP
Quantity of Financial Instrument to be Settled	:36B::SETT//4!c/15d
Safekeeping Account	:97A::SAFE//35x
Cash Account	:97A::CASH//35x
Place of Safekeeping	:94F::SAFE//4!c
Settlement (Issuance or Syndicated or Trade)	:22F::SETR//ISSU or SYND or TRAD
Cash Settlement System Indicator (Real time / Gross)	:22F::CASY//GROS or :22F::RTGS//YRTG or :22F::RTGS//NRTG
Delivering Agent	:95P::DEAG//4!a2!a2!c
Seller	:95P::SELL//4!a2!a2!c
Place of Settlement (BIC of CSD)	:95P::PSET//4!a2!a2!c
Account with Institution of the beneficiary	:95P::ACCW//4!a2!a2!c
Beneficiary	:95P::BENM//4!a2!a2!c
Cash Account	:97A::CASH//35x
Settlement Amount	:19A::SETT//3!a15d
Exchange Rate	:92B::EXCH//3!a/3!a/15d

**E. Confirmation of receipt of new issue of security using MT545**

Business elements	ISO 15022
Instruction Identification	:20C::SEME//16x
Related Message Reference	:20C::RELA//16x
Place of Trade	:94B::TRAD//PRIM or EXCH (Depends if it is IPO or FPO or IPP)
Trade Date	:98A::TRAD//YYYYMMDD
Settlement Date	:98A::SETT//YYYYMMDD
Effective Settlement Date	:98A::ESET//YYYYMMDD
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN1!e12!c Name of IPO or FPO or IPP
Payment Status Indicator	:22F::PAYS//FULL
Classification Type	:12A::CLAS//4!c/[8c]/30x
Expiry Date	:98A::EXPI//YYYYMMDD
Issue Date	:98A::ISSU//YYYYMMDD
Indicative Price	:90B::INDC//ACTU
Settlement Instruction Processing Narrative	:70E::SPRO//NARRATIVE
Quantity of Financial Instrument Settled	:36B::ESTT//4!c/15d
Safekeeping Account	:97A::SAFE//35x
Cash Account	:97A::CASH//35x
Place of Safekeeping	:94F::SAFE//4!c
Settlement (Issuance or Syndicated or Trade)	:22F::SETR//ISSU or SYND or TRAD
Cash Settlement System Indicator (Real time / Gross)	:22F::CASY//GROS or :22F::RTGS//YRTG or :22F::RTGS//NRTG
Delivering Agent	:95P::DEAG//4!a2!a2!c
Seller	:95P::SELL//4!a2!a2!c
Place of Settlement (BIC of CSD)	:95P::PSET//4!a2!a2!c
Account with Institution of the beneficiary	:95P::ACCW//4!a2!a2!c
Beneficiary	:95P::BENM//4!a2!a2!c
Cash Account	:97A::CASH//35x
Settled Amount	:19A::ESTT//3!a15d
Trade Amount	:19A::RESU//3!a15d
Exchange Rate	:92B::EXCH//3!a/3!a/15d

**F. Confirmation of delivery of new issue of security using MT547**

Business elements	ISO 15022
Instruction Identification	:20C::SEME//16x
Linked Message	:13A::LINK//502
Related Message Reference	:20C::RELA//16x
Place of Trade	:94B::TRAD//PRIM or EXCH (Depends if it is IPO or FPO or IPP)
Trade Date	:98A::TRAD//YYYYMMDD
Settlement Date	:98A::SETT//YYYYMMDD
Effective Settlement Date	:98A::ESET//YYYYMMDD
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN1!e12!c Name of IPO or FPO or IPP
Payment Status Indicator	:22F::PAYS//FULL
Classification Type	:12A::CLAS//30x
Expiry Date	:98A::EXPI//YYYYMMDD
Issue Date	:98A::ISSU//YYYYMMDD

## Global Market Practice for Initial Public Offering (IPO)

Indicative Price	:90B::INDC//ACTU
Settlement Instruction Processing Narrative	:70E::SPRO//NARRATIVE
Quantity of Financial Instrument Settled	:36B::ESTT//4!c/15d
Safekeeping Account	:97A::SAFE//35x
Cash Account	:97A::CASH//35x
Place of Safekeeping	:94F::SAFE//4!c
Settlement (Issuance or Syndicated or Trade)	:22F::SETR//ISSU or SYND or TRAD
Cash Settlement System Indicator (Real time / Gross)	:22F::CASY//GROS or :22F::RTGS//YRTG or :22F::RTGS//NRTG
Receiving Agent	:95P::REAG//4!a2!a2!c
Buyer	:95P::BUYR//4!a2!a2!c
Place of Settlement (BIC of CSD)	:95P::PSET//4!a2!a2!c
Paying Institution	:95P::PAYE//4!a2!a2!c
Debtor	:95P::DEBT//4!a2!a2!c
Cash Account	:97A::CASH//35x
Settled Amount	:19A::ESTT//3!a15d
Trade Amount	:19A::RESU//3!a15d
Exchange Rate	:92B::EXCH//3!a/3!a/15d

### **G. Settlement Status and Processing Advice of IPO transaction using MT548**

Business elements	ISO 15022
Instruction Identification	:20C::SEME//16x
Related Message Reference	:20C::RELA//16x
Status	:25D:4!c//4!c
Reason	:24B:4!c//4!c
Trade Date	:98A::TRAD//YYYYMMDD
Settlement Date	:98A::SETT//YYYYMMDD
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN1!e12!c Name of IPO or FPO or IPP
Quantity of Financial Instrument to be Settled	:36B::SETT//4!c/15d
Safekeeping Account	:97A::SAFE//35x
Cash Account	:97A::CASH//35x

### **H. Notification of effective listing date using MT564**

Business elements	ISO 15022
Corporate Action Reference	:20C::CORP//16x
Sender's Message Reference	:20C::SEME//16x
Corporate Action Event Indicator (Trading Status: Active)	:22F::CAEV//ACTV
Financial Instrument & IPO/FPO/IPP Name	:35B::ISIN1!e12!c Name of IPO or FPO or IPP
Place of Listing	:94B::PLIS//EXCH [Name of Stock Exchange]
Safekeeping Account	:97A::SAFE//35x
Effective Date for Listing	:98A::EFFD//YYYYMMDD
Narrative (Declaration Details)	:70E::DECL//10*35x
Narrative (Additional Text for the second stock exchange, if any.)	:70E::ADTX//10*35x [Stock Exchange no. 2]
Narrative (Disclaimer)	:70E::DISC//10*35x

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Recipient of Message	:95Q::MERE//[IPO team]
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